



APPROPRIATIONS UPDATE

HOUSE COMMITTEE ON THE BUDGET
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FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 2003 (H.J.RES. 123)

SUMMARY

This resolution, the fourth continuing resolution [CR] for fiscal year 2003, provides for the continued operations of the Government through 22 November 2002. The measure is necessary because regular appropriations for fiscal year 2003 – which began on 1 October – have thus far only been provided for the military and civilian activities of the Department of Defense. In the aggregate, the CR is consistent with the House-passed budget resolution.

In general, the CR funds all projects or activities authorized in fiscal year 2002 at the same rate of operations until either: 1) the enactment of an appropriations act covering the project or activity; or 2) the expiration of the CR.

Exceptions are provided in the resolution to ensure that \$14.6 billion of one-time nondefense appropriations to deal with the aftermath of the terrorist attacks of 11 September 2001 are not continued in fiscal year 2003, and to address funding anomalies that would result from the continuation of certain provisions contained in last year's appropriations bills. The CR does not allow the initiation of new activities.

Excluding one-time emergency spending from the CR results in a nondefense level of budget authority [BA] that is \$2.9 billion above the fiscal year 2002 current rate of operations, but \$6.4 billion below the amount contained in the President's budget request.

Table 1: Continuing Appropriations for Fiscal Year 2003
Subcommittees Other Than Defense and Military Construction
(fiscal years; millions of dollars)

	2002 Enacted	Administration 2003 Request	302(b)s for 2003	CR
Budget Authority	388,258	382,919	383,766	376,547
Outlays	398,928	424,757	429,660	420,218

COST OF THE LEGISLATION

Under congressional procedures, the cost of a short-term continuing resolution is determined on an annualized basis: that is, the estimate assumes that the bill would extend for the entire fiscal year. The Congressional Budget Office [CBO] estimates that this CR would provide \$376.5 billion in discretionary budget authority for fiscal year 2003. That amount is \$11.7 billion below the fiscal year 2002 amount (see Table 1 above), including the cost of one-time appropriations. This CR, however, explicitly excludes a predetermined list of one-time appropriations (identified by

the Office of Management and Budget in its *Budget Bulletin* to agencies), which are to be removed from computations of the current rate of operations. Removing the \$14.6 billion of those one-time appropriations from the fiscal year 2002 figure produces a more meaningful comparison – one showing that nondefense discretionary spending is \$2.9 billion above the current rate of operations. That increase is principally a result of technical factors, such as spending increases for fee-based programs, assumed in CBO's construction of the spending "freeze" baseline.

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

The CR is \$6.4 billion in BA below the administration's request, and \$7.2 billion below the combined total of the 302(b) allocations made by the House Appropriations Committee (see Table 2 below). This means that the House – when it returns to complete consideration of appropriations measures – will have \$7.2 billion in new spending authority available to resolve differences over funding levels relative to the continuing resolution. That

amount is \$847 million higher than requested by the President, and would be augmented by \$1 billion if the Labor-HHS bill provides sufficient funding to cause the release of the special education reserve fund in the House-passed budget resolution. Assuming the release of that reserve, the House allocation provides for a 2.2-percent increase in budget authority over comparable levels for fiscal year 2002.

Table 2: Difference Between CR and President's Request and 302(b) Allocations
Subcommittees Other Than Defense and Military Construction
(fiscal year 2003 budget authority, in millions of dollars)

	Request	302(b)s	Difference
Budget Authority	6,372	7,219	847
Outlays	4,539	9,442	4,903

COMPLIANCE WITH THE BUDGET RESOLUTION

The continuing resolution in the aggregate is consistent with the House Concurrent Resolution on the Budget for Fiscal Year 2003 (H.Con.Res. 353). As shown above, the amount of new budget authority does not exceed the total amount available under the 302(b) allocations of the House Committee on Appropriations, so that the 302(a) allocation is not breached. For three Appropriations subcommittees – Commerce, Justice, State; Transportation; and Foreign Operations – the amounts of new budget authority provided by H.J.Res. 123, when added to the current level of

discretionary budget authority, is above the 302(b) allocation.

The resolution also would not exceed the budget resolution's overall ceiling on budget authority and outlays, so there is no violation of section 311(a) of the Congressional Budget Act, which prohibits the consideration of legislation exceeding the aggregate levels of budget authority and outlays established in the House budget resolution.

AUTHORIZATION ISSUES AND ANOMALIES

As with the previous CRs, this measure continues to prohibit the collection of certain pesticide fees that are counted as revenue. This provision is expected to result in a revenue loss of \$25 million if continued for all of fiscal year 2003 – which is not counted against the discretionary allocations. This CR also authorizes a new no-cost loan program for the Government of Poland to purchase military equipment. Further, it provides that Medicare premiums can continue to be paid by Medicaid for certain “dual eligibles” – persons eligible for both programs – at a cost of \$5 million in BA and outlays for the period of the CR.

With respect to traditional appropriations issues, this bill continues fee-based spending for the Securities and Exchange Commission; allows the Transportation Security

Administration [TSA] to continue operations that would otherwise be curtailed as a result of transfer language included in the recent supplemental appropriations bill; and authorizes the traditional gratuity payment to the widower of Rep. Patsy Mink. The net cost of these and similar minor provisions is \$76 million in BA and \$757 million in outlays. (The high level of outlays results from the TSA provision.)

Finally, the resolution provides that the level of operations for the Federal-aid highways program continues at the \$31.8 billion rate of fiscal year 2002 operations while holding obligations to the \$27.7-billion level that is contained in the House-reported Transportation appropriations bill. This provision results in outlay savings of \$1.134 billion in this continuing resolution.

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